

## BRAZIL: THE EMERGING POLITICAL SITUATION.

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### **Summary**

Compared with other countries in the Southern Hemisphere, as well as with her own recent past, Brazil is going through a period of relative freedom of speech, political participation and competition - what is being called the politics of "abertura". Political analysts wonder, however, whether this is the beginning of the consolidation of a stable democratic system or, on the contrary, is just a temporary relief in a long chain of authoritarian governments. This concern is even more serious because there are abundant signs that this experiment with democracy is being attempted in a context of a rapidly worsening economic and social crisis. Common sense seems to suggest that democracy requires social and economic health, while authoritarianism thrives in crisis. In contemporary Brazil, however, the opposite seems to be happening. How to understand it? What does it promise for the near future? These are the questions this paper hopes to explore.

### **1. Reverse Expectations**

Brazilians born during or after the Second World War have an almost uninterrupted experience of economic growth and social advancement. In spite of the known figures of malnutrition, illiteracy, and extremely low-income levels of substantial portion of the country's population, the fact remains that, in the last three or four decades, the number of people receiving the benefits of the modern economy, urban life and education has been steadily growing, even with distortions and problems of all kinds. Although the rate of improvement has been too slow and uneven to accommodate everybody, it is possible to say that no significant social group has suffered until recently a marked drop in their social and economic standing.

This statement can be confirmed by the published figures that point out the high rates of growth and continuous increases in the levels of education and urbanization in the country. This is also corroborated by more specific and specialized research.<sup>1</sup> It is possible to focus attention on two particularly significant stages in this process. The first one was during the Juscelino Kubitscheck government in 1955-60, when the country's industrialization and integration in the international economy was accelerated, among other things with the setting up of the automobile industry in Brazil. Those were years of very high growth rates, quasi-full participatory democracy, intense socioeconomic mobility and political mobilization - and high rates of inflation. The second period was the General Emílio Médici Administration (1969-1974). Those were the times of the so-called miracle. During these years political repression reached its highest point after the crackdown on the political mobilization attempts of 1968. There was press censorship, political activities were severely curtailed, and wages were strictly controlled by the government. At the same time, however, the economy was growing at unprecedented rates, the educational system was rapidly expanding, mostly at its upper level, and Brazil was even able to win for the third time the World Soccer Cup in 1972. Economists still debate what happened with income distribution during this period. It seems to be clear that income inequality increased significantly. This did not seem to happen, however, because the lower strata became poorer, but because the upper segments became much wealthier.<sup>2</sup>. For many of those that were not directly hit by the government repressive policies, the Médici period is often remembered with nostalgia.

The years of General Ernesto Geisel, however, marked at the same time the culmination of the optimist expectations of the last forty years, and the beginning of the reversal of expectations that are the main trait of the present period. For the government, the growth rates of the recent past were assumed to continue endlessly into the future, and the country was finally ready to occupy its position as a world economic and political power. Ambitious projects were started - the nuclear program, the construction of the Itaipu Hydroelectric complex, the "steel railroad", the heavy investments in country's machine-tools industry, the creation of autonomous

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<sup>1</sup> See José Pastore, *Desigualdade e Mobilidade Social no Brasil*. S. Paulo, T.A. Queirós/USP, 1979. Nelson do Valle has shown, however, that the observed mobility is mostly due to structural changes, and not to actual permeability of the social strata. Cf. his "As Duas Faces da Mobilidade", *Dados*, vol. 21, 1979.

<sup>2</sup> This is of course hotly debated, but seems, nevertheless, to be true. See Pedro S. Malan, "Distribuição de Renda e Desigualdade: Nova Tentativa de Clarificação da Controvérsia no Brasil", *Dados*, vol. 21, 1979.

scientific and technological capability, etc.<sup>3</sup> The signs of impending crisis, both internal and external, were considered just short-term annoyances on the way of a global project of national greatness. Political democracy was also part of the big project, but had to wait its proper time, and could not disturb the government's self-assigned efficiency. Social problems of poverty, illiteracy and urban marginality were acknowledged as deserving the government's attention, but did not have the first priority.

All these projects were nurtured in fairly restricted circles of government bureaucrats and private or professional groups which were associated with them. For the public opinion as a whole, what was more visible were the effects of the international energy crisis, the spirally growing weight of the foreign debt, the tensions in the urban centers, the failures of the educational system, the limitations for political expression and participation, and the severe governmental restrictions on wage increases and wage bargaining. What the Figueiredo administration seems to have done is to choose the easy way out on both accounts: to renounce the ambitious project to make of Brazil a world power, and to give free rein to political expression and mobilization. The overall expectations of continuous progress are being rapidly turning into uncertainties and anxiety about the future and the government does not seem to have any long-range project except to weather the crisis without sinking the boat, with the hope, perhaps, that the future will be more benevolent.

I shall examine more in detail how this general picture is being expressed in the actual workings of the country's political system. Before that, however, it might be advisable to go a little deeper into the economic and social dimensions of the present crisis.

## **2. Expansion and crisis in the Economy**

Without attempting to substitute for the specialized analyses of the economists, it is possible to summarize the main characteristics of Brazil's economic growth in the last decade by the following traits:

- 1) A continuous dependence on a few staple products for the international market. Coffee, since the second half of the nineteenth century, and more recently sugar and soybeans, have been the main sources of foreign income, and have also allowed for the financing of the industrial sector and the government machinery. Only over the last few years has the weight

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<sup>3</sup> Carlos Lessa, *A Estratégia de Desenvolvimento 1974-1976, Sonho e Fracasso*, tese para professor titular", University of Rio de Janeiro, 1978.

of the staple products started to be reduced by the growing participation of a few industrialized items in the country's exports.

- 2) Brazilian industrialization, which picks up speed in the 1930's, depends, essentially:
  - a) On the existence of a protected internal market - first by the world crisis of 1929, then by the war, and more recently by the tariff and exchange rate barriers raised against imports.
  - b) On the growing role of the state as a main financier, buyer and protector of the market for industrialized goods and services. The Brazilian state has been, particularly since the 60's, the country's main investor and entrepreneur, consolidating its monopoly in a few key sectors of the economy - energy, communications, steel production, railroad and sea transportation - and being in control of the lion's share of the country's commercial and development banking system.
  - c) The presence of foreign capital and multinational corporations that tend to concentrate in the sectors of advanced technology which are not already occupied by the state-owned enterprises.
- 3) There is still an important "traditional", or subsistence economy in the countryside. This "traditional" economy is a continuous source of migration of surplus population to the cities. A contemporary "enclosure" process is taking place by means of the expansion of capital intensive, modern agriculture corporations which are rapidly destroying this "traditional" economy, increasing the proletarianization of the rural population and / or its forced migration to the cities. The consequence has been the creation of a large squatter population in the urban areas that is not absorbed by the country's modern economy and cannot return to its origins in the countryside. The presence of this "marginal" population in the cities helps to keep the salaries low at the bottom of the wage structure, at the same time that it is a growing source of social problems and unrest.
- 4) The recent years have also witnessed the development of a large speculative market of financial papers of all kinds that seldom lead - to actual investments of resources in productive undertakings. Capital takes shelter, however, in real state property, making this one of the more active areas of the country's economy.

The current economic crisis has these among other characteristics:

- 1) The external sector of the country's economy seems to be eating up most of what the country can get with its growing exports. The service of the external debt, the raise in oil prices, the profit remittances of the multinational corporations, and so on, are aggravated by the fact that the very advancement of Brazil's industrialization make its dependency on some primary goods and high technology products fairly inelastic.
- 2) The two main answers to the problems of the balance of payments - increase in agricultural exports and the alcohol program - are bound to have deep consequences in the country's ability to produce foodstuffs for the internal market. In the recent years the country has had to import black beans, rice, and has always been dependent on wheat.
- 3) Economic growth, even when it occurs, is progressively less able to respond to the raising demands for goods and services from the population. These demands tend to increase independently from the actual rates of economic growth, and the curve of expectations tends to be exponential. The development based on modern technology and capital intensiveness combined with the diffusion of modern communications and propaganda tend to widen the disproportion of people aspiring to a standard of life regarding what the country's economy can provide.
- 4) In spite of eventual good harvests, some geological and mineralogical findings, and eventual technological breakthroughs in agriculture, it seems that the notion that the country can growth thanks to unlimited resources and an endless frontier is rapidly disappearing. Compared with its size, Brazil is a fairly poor country, geographically and geologically. There is no oil, no coal, most of the land is difficult to exploit, and the extensive and predatory use of natural resources is already leading to their exhaustion.
- 5) Inflation has apparently no control. It is fueled in part by the government's need to attend more demands than what the economy would allow: but also by the profits of speculative financing, the salaries of the military and the civil service, the cruzeiro counterparts of foreign loans and investments, and so on; it is fueled by the escalator system that is applied twice a year to salaries and more frequently to savings accounts and almost all aspects of the economy; and to the general use of price mark-ups as edges of the industry and service companies against future uncertainties. Last but not least, it is fueled by the external prices of oil.

### **.3. Expansion and crisis in the social system**

There are two faces of the social crisis. One is a crisis of social participation and employment. The other is a crisis of consumption. The two are related, but are not the same. Although it is difficult to measure, it is possible to say that, for many sectors in the middle and upper crusts of the social structure, to get a meaningful insertion in the country's social and economic job market is more of a problem than to be able to consume what they think they need. The consequence is social and political alienation. Some of the main characteristics of the country's social development in the last decades are the following:

- a) Population has grown continuously, going from about 40 million in 19140 to around 110 million today. This means that the Brazilian population has doubled about every 25 years. This growth is explained by a combination of high fertility and decreasing mortality rates. The result has been a very young population, which means that any drops in the fertility rates, which are already occurring, will only have consequences on the long term.
- b) Population is concentrating in the urban centers. In 1940 31% of the Brazilians lived in urban areas: in 1970 the figure was 60%. The majority is still in small and middle-size areas, but more than 20% of the country's population was in four metropolitan areas of more than 2 million inhabitants (Sao Paulo, Rio de Janeiro, Recife and Belo Horizonte) in 1970. Urbanization happens both in industrial and administrative centers, in the more and less developed areas of the country.
- c) In the last fifteen years, higher education has expanded very rapidly, secondary education has expanded less, and primary education has expanded very little. In other words, educational opportunities for those having some previous education have improved much more than for those that had nothing to start with. This improvement in education did not mean, as some theories would suppose, that the population became necessarily more productive. What did happen was an increase in the demand for white collar and professional jobs, very often in the public-service, as well as an increase in the bargaining and pressure power of several social groups. The expansion of the university system meant a downgrade - of its average quality, since public resources for the university system did not match the liberalization of admittance procedures and accreditation for private institutions of higher learning. At the secondary education level, attempts to channel the demand for education into middle-level professional careers have, as a whole, failed, given the almost universal aspiration of social mobility through university training. Primary education covers today most of the urban population, although with

very low quality in the public and even private system; and it seldom enters in the countryside. When it does, it tends to be a factor of mobility and migration to the cities.

It is possible to summarize the present social crisis in Brazil by the following main points

- 1) In the countryside, the intensive process of disorganization of the traditional social structure through the introduction of high technology and extensive plantations for the external market, which produced a large group of free-floating, landless urban workers and intensified the migration to the cities;
- 2) In the cities, the rapid deterioration of the quality of life, due to the unchecked real estate speculation, the difficulty to accommodate the spirally growing fleet of cars, and the inability of the economic system and the urban services to provide jobs and support to the immigrants. This situation is made still more difficult by the concentration of public money in the hands of the federal government, and the almost generalized bankruptcy of state and local authorities.
- 3) For the urban low classes, lack of jobs, lack of appropriate education, and such low levels of payment at the bottom of the scale as to make "marginal" activities of all kinds - from moonlighting business to straightforward crime - much more rewarding than steady jobs.
- 4) For the middle and upper sectors, an increasing distance between the aspirations provided by the educational system, now quite accessible, and the market for qualified jobs, more difficult and saturated than ever.

**4. Expansion and crisis in the political system**

There are two central dimensions to look for in the analysis of a political system: the process of political participation and the organization of government. These two dimensions are mediated by a third, which are the specific structures of social mobilization and participation - the political parties, the labor movement, the agencies of public opinion, and the electoral system. Common belief holds that government derives from political representation - and that this can happen either democratically, when everybody can participate in political life according to fair rules, or autocratically, when there are no clear rules or they are biased in favor of specific groups.

Brazilian political analysts tend to hold, however, that in the country's experience this sequence should be for the most part reversed: the government as an organized and active agency precedes, both historically and in terms of real weight, most forms of political participation; and the formal structures of political representation, more often than not, are provided by the government, in order to channel and orient the social pressures for "supportive" political participation.<sup>4</sup> This is not, of course, a situation without tensions and conflict. Very often some groups in society try to organize independently from the government and impose its own values and preferences. A combination of co-optation and repression, stick and carrots, however, has been usually effective to prevent these attempts to go very far; when they do, government is replaced by a more effective group that can perform more efficiently the traditional power game.

The above does not mean that the government is neutral in the conflicts of interest among the several groups in the political and economic sphere. In its commitment to the notions of order, stability, power growth and security, it is naturally supportive of the social and economic establishment. But it does mean that government is never as captive of a specific social and economic groups as it is of its own civilian and military bureaucracy and the country's professional politicians and statesmen.

With these general ideas in mind, we can make a brief summary of the characteristics of Brazil's political system that led to the 1964 coup and thereafter:

a) Political enfranchisement in Brazil has been historically very limited and elections seldom involved more than 5% of the country's adult population before 1945. From 1945 on a multi-party system was established with compulsory voting for all the adult, literate population. Voting in this system was successfully captured by two parties created by Getúlio Vargas before his fall: the "Social-Democratic" party, made up of the Federal "interventores" in the States and local governments throughout the country, and the "Labor" party, organized by the politicians who used to run the trade-union and social welfare administration through the Ministry of Labor. This winning coalition started to crumble in 1960 with the election of Jânio Quadros for the Presidency,

b) Labor organization was pre-empted by a corporatist system of trade unions created and controlled by the government. A trade-union tax (one day's salary a year for all workers) was

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<sup>4</sup> Simon Schwartzman, *São Paulo e o Estado Nacional*, São Paulo, Difel, 1975; and more specifically Maria do Carmo Campello de Souza, *Estado e Partidos Políticos no Brasil (1930 a 1964)*, São Paulo, Alfa-Omega, 1976.

established to create a trade-union fund ("fundo sindical") and distributed to the unions according to the government's convenience. This meant that the strength of the unions did not depend on the number of affiliates (affiliation was voluntary); the unions could dispense services and patronage of all kinds, and capture votes when needed.

c) Seats in the Legislative were distributed in proportion to the total population of each state. Since voting was restricted to literates, this meant over representation for the voters of the more rural, less educated states, and under representation for the country's urban centers. This bias was stronger in the Senate, to which each state contributed with three members.<sup>5</sup>

d) Elections at all levels were strongly dependent on the candidate's past and potential access to governmental support, resources and patronage. Opposition candidates relying on media persuasion or ideological appeals could only get support in the more educated, urbanized and urban areas. This meant that the government would often have troubles winning the elections in the major cities, but would win systematically in the countryside.

Crisis in this system started to become evident in the late fifties and early sixties, and can also be summarized in a few points:

a) For historical and structural reasons, the government's winning coalition was particularly weak in the country's demographic, economic and industrial center, the State of São Paulo, where a fairly independent labor movement and autonomous political leadership started to emerge and, later, to compete for the control of the federal government.<sup>6</sup>

b) Populism, the combination of patronage with paternalistic- appeals and fuzzy social ideologies, was fairly efficient as a subsidiary instrument for political support and vote gathering when the political control could be kept in the hands of the traditional politicians with their rural basis. This situation became threatening when the Labor Party started to outweigh its partner in the government's coalition. Also, populism ceased to be a monopoly of the central government, mostly after Vargas' death in 1954, to run loose: in the 1959 Presidential elections all the candidates had been imposed on the traditional parties by populist or ideological pressures and constraints.

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<sup>5</sup> Cf. Gláucio A. D. Soares, *Sociedade e Política no Brasil*, São Paulo, Difel, 1973.

<sup>6</sup> S. Schwartzman, op. cit.

c) Ideological politics also became more present as time passed. Before 1945, it was mostly concentrated in intellectual and military groups in the major cities. After 1945 the Communist party gave a demonstration of strength in Rio de Janeiro and the worker's areas of São Paulo. In general, ideological groups criticized the government for its inefficiency, corruption and practice of patronage politics, and benefits to undeserving and illegitimate groups and interests. On the left, it led to the demand for the strengthening and organization of labor, increase of the state's intervention in the economy, more social welfare benefits, restriction and control of international corporations and Brazilian private capitalist groups, and non-alignment with the United States in the cold war. On the right, it demanded less appeasement with the labor movement, less compliance with the formalities of democratic politics, stricter wage controls, more freedom of economic initiative, and militant anti-communism.

d) For the government, the loss of electoral stability meant narrowing room for manoeuvre and less freedom of action. Before 1960, the electoral coalition between the Social Democratic and labor parties could be and often was replaced in Congress by a more conservative coalition between the social democrats and the traditional conservative opposition party, the National Democratic Union (UDN). This enabled the government to block more disruptive legislation (such as agrarian reform laws) and pass the ones it deemed necessary. While some areas of government were left to patronage - such as Labor, Health, Education, and Social Security - others were not. From 1960 on patronage and politicization permeated virtually the whole government structure, leading to the federal administration paralysis in the few years immediately preceding Goulart's fall in 1964.<sup>7</sup>

## **5. The new regime and its political predicament**

The regime inaugurated in 1964 was never able to substitute the previous system of political and electoral support for an alternative one, which could provide it with the stability it needed. History of the last sixteen years is full of different attempts to return to political normality, such as the gubernatorial elections of 1966 and the general relaxation of political controls and repression in 1968; they have normally led to failure for the government, and were followed by increased political repression and control. We can summarize the new situation also in a few points:

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<sup>7</sup> Wanderley Guilherme dos Santos, *The Calculus of Conflict: impasse in Brazilian Politics and the Crisis of 1964*. Ph.D. Dissertation, Stanford University, 1978.

a) Except for brief periods, the new regime, in spite of its military basis, never adopted the position of an outright military dictatorship, as it was and still is the case in Argentina and Chile. Congress lost much of its prerogatives, but remained open; elections were not abolished, although the party system had to change; the candidates were submitted to screening and eventual loss of mandate; and opposition political propaganda was strongly curtailed. For reasons of international image, ideological convictions or sheer political strategy, the fact is that some forms of political life were preserved, and this has had some costs and consequences.

b) Contrary to the expectations in 1964, the old, corporatist trade-union system was not abolished. The trade-union tax and fund were kept as before, while the more militant leadership of the early sixties was replaced very often by old-hand insiders from the old, pre-ideological labor movement ("pelegos").

c) The freedom of movements for the central government increased considerably after 1964. The very name of the country was changed, from "United States of Brazil" to "Federative Republic of Brazil". The government's efficiency for resource extraction increased manifold. Income taxes started to be paid in the country for the first time. New funds were created based on compulsory savings by the labor force (mainly the so-called PIS-PASEP system and the Guarantee Fund for Job Seniority - FGTS, which provided resources for a new housing bank, the Banco Nacional de Habitação). A Central Bank was established. Social security was unified throughout the country. Public enterprises were created or improved in their freedom of action and access to re- sources. And so on. At the same time, local and state government lost almost all powers of initiative and sources of independent resources.

d) A clear distinction started to be made by the government between "administration" - the running of public office according to technocratic principles - and "politics" - the game of patronage, propaganda and petty interests needed to provide the "administration" with political support. Excluded from "politics" were all decisions implying government expenditures, the armed forces, the wage system, the administration of the main urban centers, and questions of economic policy in general. "Politics" was relegated to the state governments (but not quite: the state's Security and Finance Secretaries had to be controlled by the Federal Government) and local administrations of less important, more rural areas.

e) The consequence was the survival of the more traditional political leadership of the period pre-1964, with its rural and local bases, and the ostracism of the emerging political leadership in the more urban and developed areas. Political life lost all appeals to young, well-

endowed potential leaders in the country's more modern centers. More promising were careers in the professions, in private business or in the government's technocracy.

f) The political alienation of the urban groups became particularly acute because, in spite of the growth in available resources and the economic successes, the government was never able to absorb and incorporate in the country's social, political and economic mainstream the growing numbers of urban dwellers and educated youth. Several attempts were made to develop policies to solve the growing urban problems and to respond to the needs of the poor. The unification of the social security system, its extensions to the rural areas, agencies aimed to control the distribution of basic food stuffs and medicine, the creation of metropolitan area authorities, all these efforts tended to fail for lack of organized constituencies which could give them political muscle and stability.

g) The distinction between "politics" and administration led to a situation in which the governmental policies in the so-called "technical" areas very often became conditioned or captured by well organized, small and not clearly visible special interest groups. This led to several projects and policies of doubtful social and economic value and precarious technical competence. In other words, technocracy was often less technical and more autocratic than it was wished.

## **6. The current situation**

One of the main characteristics of the political regime since 1964 is the lack of institutionalized norms for political dispute and access to significant power positions. For more radical groups within the military and some civilian sectors, this was a necessary revolutionary situation; it was supposedly needed to enable the government to carry on its policies without being hindered by the formalities of legal procedures or the organized opposition. Without exception, however, all military governments stated their intention to provide the country with stable political institutions - but were unable to do so. The Figueiredo government, inaugurated early in 1979, was the one to go furthest in this direction. We should consider in the following some of the reasons for the unwillingness of the military governments to take a straightforward dictatorial stand, the difficulties with institutionalization attempts, and the limits of the present situation. This will lead us to some speculation about the emerging perspectives.

a) In principle, there are no obvious reasons why the Brazilian military leaders did not establish a straight dictatorial regime like the ones in Chile, Argentina and Uruguay. We can list a series of elements, however, that may have contributed to that:

- The ideology of the military leadership. The so-called "Sorbonne" group, of the Escola Superior de Guerra, was made up of persons which have fought in the Second World War and had strong personal commitments with the values of Western democracy, to which they saw Brazil as naturally associated. The "Sorbonne" group included names such as Humberto Castello Branco, Ernesto Geisel and Golbery do Couto e Silva.
- The intensity of power conflicts when the rules of the game are not clear. Even in the most authoritarian periods of the last fifteen years, the principles of hierarchical authority were scrupulously kept within the armed forces, as well as the clearly defined limits for permanence in the presidency and in the military command posts. Strict obeisance to these rules was necessary and actually worked to reduce the potential for conflicts within the military sectors. When the conflict became unavoidable, the way out was often the search for support into the civilian sphere. Thus, the Geisel government sought to compensate the strains of its conflict with the army top echelons with an intense effort to win the municipal elections and to strengthen the government's civilian party, the Arena. The nomination of General Figueiredo for his succession was also stressful, and ulterior emphasis on political democracy should be understood in this context.
- The legitimization function. An open Congress, even if curtailed in its powers, keeps the allegiance of wide segments of the traditional political leadership, and some channels of communication between the regime and the population. Other means to provide this legitimization include massive advertising campaigns, "moral and civic education" through the schools, etc. The actual effects of these initiatives are not clear.
- The continuous stress and inefficiency of authoritarianism. Fifteen years of experience have shown that the government was particularly inefficient in the two areas that seemed to make exceptional powers more necessary, namely the reduction of leftist ideologies and the control of corruption. Although the radical left was contained in its more aggressive behavior, the government was unable to stop the spread of leftist ideologies among the country's urban population - on the contrary, it might have helped it. Corruption was attacked at the beginning through large-scale investigations in all sectors

of the country, but practically nothing in terms of actual indictments ever came out of them. So, the military had to carry the burden of the police functions, without success.

- International pressures. The human rights policy of the United States government and the bad image of the Brazilian authoritarian regime created uneasiness in all areas of the Brazilian government, and more so in those more exposed to external contacts. It is doubtful, however, that this factor alone could have a determining influence.

- The weakness of the internal opposition. Had the Brazilian military met an opposition similar to the ones encountered by their counterparts in the Southern cone, the pressures for long-term authoritarian rule would probably have been unavoidable. The fact, however, is that Brazil never had labor movements, revolutionary organizations nor mobilized students like the ones that existed in Chile, Argentina and Uruguay. The reasons for this are complex. It is enough to remember, however, how more urbanized, educated organized than Brazil these countries are, and how much more deep was the process of social and economic disorganization they suffered before the military regimes were established.

b) The last item suggests that, contrary to what is often said, the relative liberalization of the Brazilian regime should not be explained by the strength of its opposition, but rather by its weakness. It is also explained by the fact that, as it was said in the onset, the current politics of "abertura" means not only the affirmation of the some values of political freedom and democracy, but also - and probably more so - the abandonment of several ambitious goals of the military regimes after 1964 - the end of corruption, the strengthening of Brazil as a world power, the end of leftist ideologies, the end of poverty and illiteracy. The accumulation of external and internal difficulties of all kinds have left the government with a heavy and costly machinery for political and economic intervention and control, but without the commitment or the conditions to pursue the old goals as in some of the times before. This machinery has mainly, now, a vested interest in its survival and bureaucratic growth.

"Abertura" has all the elements of a calculated risk, but not a large one. Items:

- The government did not relinquish its powers. The Security Law is vague enough to provide it with a virtual blank legal check to prosecute and arrest whomever it deems necessary. Reduced ostensible controls - like the controls of passports in the airports - have been largely compensated by sophisticated and computerize system of checking and

surveillance. Press censorship has been reduced, but still exists, although in lesser forms, in TV, radio and for the so-called "marginal" periodicals. The government has other forms of cajoling the mass media than direct censorship - mostly through the distribution of propaganda, concessions, financing, and so on; the larger communications enterprises are usually very sensitive to them.

- The new party and electoral systems have still not taken shape. It is clear, however, that the rules are being made for the government to be always the winner. The legislation concerning the organization of the political parties is biased towards nation-wide structures that depend on the government support to exist. The up-coming system of district voting is bound to reduce further the electoral chances of minority groups. The government leads the organization of the party system not only through legislation, but also through actual bargaining, composition and even influencing in the judiciary system (the last example was the denial of the PTB acronym to the Leonel Brizola group).

- There has been a generalized liberalization of customs. Pornographic literature, films and music have been practically liberated. Censorship in the theater has almost ceased to exist. This liberalization has been extended also to the utterance of ideological and political opposition to the government, with some limits - for instance, the direct "offense" to the military authorities. This liberalization is explained by the fact that the more ideologically militant and conservative groups of the right have been pushed aside, and is clearly perceived now that the costs of controlling the freedom of expression are too high and the effects of these controls too limited. There is also a perception that the harm caused by this freedom for the regime tends to be small.

- Strikes have been tolerated within certain limits. In general, the policy has been to not to repress neither to give in to collective movements outside the productive sectors - like the strikes by teachers, students, civil servants, and so on. These strikes usually are left to wider areas. In the industrial sector, as the recent metal-workers strike in São Paulo has shown, there are attempts at negotiation, that can be readily combined with harsh repression. The strikes legislation is extremely restrictive, and practically all strikes can be considered illegal if the government wants to declare them that.

## 7 The emerging political situation

a) The current situation of limited and controlled "abertura" could be maintained for a long period, with some oscillations between periods of more or less repression or political freedom. In fact, there is no empirical or historical reason to suppose that a stable democratic regime is a "normal" equilibrium situation for Brazil; outright authoritarianism tends also to be short-lived, for some of the reasons discussed above.

However, there are some reasons to believe that the present arrangements are particularly unstable. First, some key economic variables seem to be running quite out of the government's control: inflation, speculation, energy supply, price of foodstuffs, the foreign debt, unemployment. It is unlikely that this loss of control could be attributed to the government's priority to political rather than economic matters, since no instruments of economic policy were given up to other groups in society - including the control of wages. Second, the political capital obtained at the beginning with the liberal policies is being rapidly depleted as the promises of increasing participation and benefits for all start to fail, and as repressive measures are taken against some of the more aggressive sectors of the opposition. What makes the future still more uncertain, however, is the lack of any meaningful project that could replace the old ones that are rapidly being destroyed. The official line is still optimism about the future, and the difficulties in the economy are to be hopefully compensated by the bonanza of a "miracle crop". There are still some monumental projects to carry on, such as the "Rio Project", the Itaipu Hydroelectric system that proceeds as before, and there is no open reassessment of the ambitious and overblown nuclear program. The present situation, in spite of all signs to the contrary, is deemed to be of momentary difficulties, and the future is supposedly as bright as always. In fact, this lack of project is fertile ground to cynicism, and makes it almost impossible for the government to generate leadership that could provide it with a stronger social basis.<sup>8</sup>

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8 Signs that have been recently accumulating suggest that an attempt to develop a new breed of government-sponsored populism may be in the offing. "Poverty" has been mentioned with insistence as the main concern of the government, and the recent tax on capital gains, the present wages policy which gives higher increases to the low wage brackets, the maintenance of the bi-annual increases in spite of the opposition of the Minister of Planning, the ceilings in the salaries of the executives in the public sector, are all indications of the same. More to the point, the government is converting two institutions that deal with the poor and with the countryside, the Rondon Project and the MOBRAL, into nationwide agencies of community action and community development. There is a new emphasis on economic relief for the Northeast and on some forms of agrarian reform. It seems clear that the focus of this new populism is in the Minister of the Interior. It is too early to assess the possibilities of such an attempt, given the implied costs and the vested interests that such a development would mean. The new populism can easily assume strong nationalist traits, and this is not necessarily incompatible with another (and seemingly unrelated)

There are two possible outcomes of the present situation, the return to outright authoritarianism or the establishment of a stable democratic system, in which the opposition could have effective access to political power. There is a third possibility, which is a revolutionary situation and the beginning of a government of the left. Let us make some considerations on each.

b) A return to outright dictatorship is not out of the question, and in fact looms very heavily in the horizon. This is the more likely outcome if the social and economic crisis deteriorates too rapidly, or if the more radical opposition gets too aggressive, or if the political and electoral arrangements now being carefully laid out leads to political defeat. For several groups, this would be the preferred outcome: Some feel threatened with the open questioning of their past activities, and tend to favor a return to repression and censorship. It is common for many entrepreneurial groups to blame inflation and general government indecisiveness on the costs of the political game, and to condemn political freedom as a kind of luxury not to be afforded. Urban criminality and licentiousness in the media adds to inflation as sources of insecurity for the middle classes, and this insecurity often breeds authoritarian ideologies. All this groups will support a return to authoritarianism.

A new strong regime, however, will probably not be ideologically authoritarian. It will try to push a combination of liberal economics and strengthening of the state power, which has been the line of all the military governments in Brazil so far. It will hit hard on the demands of the urban middle classes and workers, and give little emphasis to programs of social welfare. It will almost certainly let loose the more active right-wing groups within the repressive agencies, and this could lead to high levels of political violence. Reaction will probably be extreme, and a kind of permanent stage of siege is not to be excluded.

c) Transition to a stable democratic regime will be a probable outcome if the situation does not get out of hand. The party system which is being organized now has a spectrum which goes from the government-controlled "social-democrats" (PDS) through the loyal opposition of labor (PTB) and the popular party (PP), into the not so reliable democratic movement (PMD); and reaching in the left the labor party of Leonel Brizola (PDT) and eventually the worker's party (PT) (the Communist Party is not likely to obtain legal registration). Once this system is established, it is probable that the government will try to place itself somehow in the center of

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development of the more recent months, the spread of right-wing terrorism against the so-called "alternative" press and the Church.

the spectrum, a strategy that can work for a long time if combined with the manipulation of some electoral mechanisms and legislation. Once stabilized, this new game can lead to the marginalization of the more radical groups on the right, and an eventual shift of actual power to the more liberal sectors, more together with better rules of political representation and participation. This shift is also possible if the government suffers an unexpected electoral landslide, and the right does not have the conditions to come up with a new coup.

The difficulty with this alternative is that it may make sense politically, but is not necessarily related with specific policies in face of the serious problems the country has to deal with. Important as they are, very few groups in Brazil today care enough about the formalities of democracy, since they have no assurances that actual social justice or specific group benefits will follow from them. On the right as well as on the left, political liberalism is outmoded, and only considered as a means to other ends. Political scientists have tried to show that political democracy requires two conditions: a general consensus about the rules of the game, and a moderate (not too low, not too high) level of political participation. One should add a third condition: that the differential allocation of public resources done through the political system does not mean a zero-sum-game among the partners. In Brazil of today, these conditions are absent: there is no consensus, political participation oscillates between apathy and mobilization, and the economic crisis makes of the political process a sub-zero-sum- game. We cannot, therefore, be too optimistic. At best, democracy will be restricted to some sectors of society, and will allow for a sufficient level of efficiency in order not to be washed away by the conflicts between left and right.

d) So far, we have been considering only the conservative alternatives. This is because, in fact, Brazil has always had conservative governments, even if sometimes with populist strategies, and there is not much chance that this historical tendency will be reversed in the near future. The Brazilian opposition today has the moral up hand against the government - it gets the support of the intellectuals, the Church, and carries the votes against the government candidates in the most important electoral centers. However strong as a negative force, the opposition is badly splintered in terms of actual organization and political goals. Extreme leftist groups in South America have tried to bring their countries to the brink of social and political warfare, in order to rally the population's support behind its leadership. This was the so-called "foquista" strategy, which have failed throughout. Barred a disorganization of the security establishment for some external reasons - as it happened in Portugal - or its complete demoralization through corruption and nepotism - like in Guatemala - the extreme left has no means to actually come to power. More moderate leftists and liberals hope to force the political game to become fairer, and

to win through the ballots and the pressures of public opinion. They might. What they will do when in power, and how long they will last, is an altogether different matter.

The fact is that the opposition, as much and probably more than the government, has still not absorbed the full implications of the reverse expectations that the country is facing and will face in the near future. The energy crisis, the urban problems, the difficulties with the educational system, everything is blamed on the government as consequences of its incompetence, allegiance to special interests within and outside the country, and corruption - or some combination of these. In substantive matters, the opposition is against birth control, wants to provide everyone with a university diploma, a stable job, early retirement and an apartment in the cities; it wants to get rid of the multinational corporations; it criticizes the nuclear program because the way it is being handled, not in principle; and has no objections to the Brazilian "pragmatic" foreign policies and development of an armament industry for export. In short, it sustains that Brazil could be growing and improving as always, with benefits for everybody, to become a modern world power in the near future - if it were not for the unpatriotic and "dependents" policies of the government.

In brief, the emerging perspectives are not very stimulating. Brazil has entered in a serious crisis, but is still trying to live as if it was just a short-term problem or the evil doings of some special interests and private groups. This is not, of course, only a Brazilian problem, since it affects the entire world, although in different degrees. There are no clear political goals, no social sense of purpose, besides the continuous private enrichment and distribution of benefits in a context of dwindling resources. It is possible that this fact, which is already clear to anyone examining the situation, will eventually get political density and provide the basis for clearer political perspectives. In the meantime, short-term patches will be tried again and again, and we can only hope that they will not become too expensive in terms of human life and suffering.